

Mr. GAUSIE: Yes, it authorizes the Minister to grant a period of postponement.

Hon. Mr. EULER: Supposing he does not do that.

Hon. Mr. HAIG: Then you have to pay the tax.

Hon. Mr. McKEEN: You will be no worse off than you are now.

Hon. Mr. CRERAR: The important point is the one raised by Senator Euler.

Mr. GAUSIE: Unless you can point to some ruling that grants relief the assessment for the year would not be disturbed.

Hon. Mr. CRERAR: Ordinarily if a taxpayer feels aggrieved by the decision of the Minister he may appeal to the Income Tax Board. Why should the right of appeal not be provided here?

Mr. GAUSIE: You would first have to lay down the rules of law under which an appeal would lie. This amendment gives the Minister authority to postpone the payment without interest, and presumably the Minister will use the authority in cases where he thinks it should be used.

Hon. Mr. LAMBERT: In other words, the Minister is given a discretionary power in cases of this kind?

Mr. GAUSIE: Yes.

Hon. Mr. LAMBERT: But his decision is not subject to appeal?

Mr. GAUSIE: No.

Hon. Mr. McKEEN: If the discretionary power was not given to the Minister a man might transfer all his holdings to the United Kingdom and invest them there, and he would not be subject to tax in Canada at all. I think the Minister should have the discretionary power to require payment of tax in such cases.

Section 18 was agreed to.

The CHAIRMAN: Now we come to section 19.

Mr. GAUSIE: The Act provides certain penalties. For instance, there is a penalty for late filing, which is 5 per cent of the tax that was outstanding at the time the return should have been filed. But we have no civil penalty that can be applied to a person who has wilfully, in any manner, evaded or attempted to evade payment of the tax payable by him under this Part. For that type of offence we can only bring a criminal prosecution, under section 120 of the Act. Section 120 reads:

Every person who has...

(d) wilfully, in any manner, evaded or attempted to evade, compliance with this Act or payment of taxes imposed by this Act, or

(e) conspired with any person to commit an offence described by paragraphs (a) to (d),

is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to

(i) a fine of not less than \$25 and not exceeding \$10,000 plus, in an appropriate case, an amount not exceeding double the amount of the tax that should have been shown to be payable or that was sought to be evaded, or

(ii) both the fine described in paragraph (i) and imprisonment for a term not exceeding 2 years.

If our investigation shows that a person has wilfully evaded tax, we have either one of two alternatives: either to let him off or to prosecute him. Now, I do not think it is feasible to prosecute in every case. In some cases, although you might have sufficient evidence to satisfy the civil court, you may not be able to prove the charge in a criminal court beyond a reasonable doubt. We